

ADDENDUM TO LEASE
BETWEEN
PORT OF SEATTLE AND SHELL
TERMINAL 19

(3) The rent for the first year shall be whichever is the greater of (i) \$261,180.00 or (ii) the product of \$2,611,800.00 multiplied by the sum of the average of the Bond Buyers Index of 20 Bonds for the last quarter of the last preceding year, plus three percentage points; the rent for each succeeding year shall be determined in accordance with the formula in preceding clause (ii); and the yearly rent shall be payable in equal monthly installments, each in advance. Rent payable herein for any period less than a calendar month shall be prorated.

RENT

MAINTENANCE,
REPAIR AND
REMOVAL

8. (a) All buildings, improvements, equipment and other property constructed, installed or placed on the premises by Lessee or acquired by Lessee, at any time during the continuance of this or any previous lease or any tenancy thereafter, shall be and remain Lessee's property and Lessee shall have the right to remove any or all of the same from the premises at any time during, and within thirty (30) days after, any expiration or sooner termination of this lease or any tenancy thereafter. Lessee at the expiration or any sooner termination of this lease, or any tenancy thereafter, shall surrender the premises to the Port subject to ordinary wear and tear. Lessee shall, at its own expense, at all times keep the premises, and the adjoining roadways and sidewalks, neat, clean and in a safe and sanitary condition. Lessee shall remove all snow and ice from the sidewalks in front of the premises.

(b) Lessee further agrees that within thirty (30) days following termination of this lease for any reason whatsoever, Lessee will at Lessee's sole cost and expense remove all buildings, improvements, equipment and other property constructed, installed or placed on the premises by Lessee or acquired by Lessee, in accordance with paragraph 8. (a) hereinabove, except that any such buildings, improvements, equipment and other property not so removed within the period specified in this paragraph 8, shall become the property of Lessor.

DAMAGE OR
DESTRUCTION

13. Should the buildings, improvements and equipment be completely destroyed by fire or other casualty and if Lessee has not commenced to repair and/or rebuild within sixty (60) days after such occurrence, either the Port or Lessee shall have the right to terminate this lease on thirty (30) days' advance written notice effective on the ninetieth (90th) day after such occurrence.

TAXES

17. Lessee shall be liable for, and shall pay throughout the term of this lease, all license fees and all excise taxes payable for, or on account of, the activities conducted on the premises and all taxes on the property of Lessee on the premises and any taxes on the premises and/or on the leasehold interest created by this lease and/or any taxes levied in lieu of a tax on said leasehold interest and/or any taxes levied on, or measured by, the rentals payable hereunder, whether imposed on Lessee or on the Port. Lessee shall reimburse the Port for all such taxes paid or payable by the Port. With respect to any such taxes payable by the Port which are on or measured by the rent payments hereunder, Lessee shall pay to the Port with each rent payment an amount equal to the tax on, or measured by, that particular payment. All other tax amounts for which the Port is or will be entitled to reimbursement from Lessee shall be payable by Lessee to the Port at least fifteen (15) days prior to the due dates of the respective tax amounts involved; provided, that Lessee shall be entitled to a minimum of ten (10) days' written notice of the amounts payable by it.

COMPLIANCE
WITH PORT
REGULATIONS
AND WITH
LOCAL LAWS

18. Lessee agrees to comply with all applicable federal, state and municipal laws, ordinances, and regulations, including without limitation those relating to environmental matters. Any fees for any inspection of the premises during or for the lease term by any federal, state or municipal officer and the fees for any so-called "Certificate of Occupancy" shall be paid by Lessee.

ASSIGNMENT
OR SUBLEASE

19. Lessee shall not assign or transfer this lease or any interest therein nor sublet the whole or any part of the premises, nor shall this lease or any interest thereunder be assignable or transferable by operation of law or by any process or proceeding of any court, or otherwise, without the written consent of the Port first had and obtained. The Port recognizes that Lessee has sublet to Lilyblad Petroleum, Inc., Lessee's Sublessee, necessary area and facilities for Sublessee's operation of its business and the Port hereby consents to such subletting and Lessee shall be responsible for Sublessee's vacation and surrender of the said area and facilities on the termination or expiration of this Lease. If Lessee, is a corporation, Lessee further agrees that if at any time during the term of this lease more than one-half (1/2) of the outstanding shares of any class of stock of Lessee corporation shall belong to any stockholders other than those who own more than one-half (1/2) of the outstanding shares of that class of stock at the time of the execution of this lease or to members of their immediate families, such change in the ownership of the stock of Lessee shall be deemed an assignment of this lease within the meaning of this paragraph. If the Port shall give its consent to any assignment or sublease, this paragraph shall nevertheless continue in full force and effect and no further assignment or sublease shall be made without the Port's consent.

TERMINATION OF
EXISTING LEASE

21. This Lease terminates and supersedes, effective as of the beginning date of its primary term, the existing Lease of part of the premises between the Port and Lessee dated September 1, 1948.

SIGNS

24. Any signs placed on the premises or on the buildings or improvements to be installed by Lessee shall be Lessee's normal identification signs and shall be removed by Lessee at Lessee's sole cost and expense upon termination of this Lease. Lessee shall be permitted to maintain existing signs.